GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3422
ANSWERED ON:18.12.2015
Bank Loan to Road Projects
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Will the Minister of FINANCE be pleased to state:

(a) whether the banks have extended loans to leading road projects under Public Private Partnership (PPP) model and if so, the details thereof;

(b) the number of road projects under PPP model that have been financed by the banks in the country during each of the last three years and the current year, project and State/UT-wise;

(c) whether the banks have ascertained loan lending for the road projects attributing to the banks' Non-Performing Assets and if so, the details thereof; and

(d) the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) & (b) Yes Sir, as per the information compiled by Ministry of Road Transport & Highways (MoRT&H), the details of road projects that have been financed by banks in the country during each of the last three years and current year, project and State/UT-wise are annexed at Annexure-I.

(c) Banks are required to carry out due diligence and ascertain viability of road projects before lending within the framework of overall credit policy and extant guidelines of Reserve Bank of India.

(d) Government have taken several steps to alleviate the financial stress of PPP model projects which inter-alia include One time fund infusion for languishing BOT Projects, Permitting Equity Divestment, Harmonious substitution in the event of default and Extension of concession period.

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